SOME HON. MEMBERS: Yes

THE VICE-CHAIRMAN (SHRI SATISH AGARWAL): The House is adjourned for lunch to meet again at 2.30 p.m.

The House then adjourned for lunch at forty-eighth minutes past one of the clock.

The House reassembled after lunch at thirty-four minutes past two of the clock,

The Vice-Chairman (Miss Saroj Khaparde) in the Chair

THE RUBBER (AMENDMENT) BILL, 1994

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): Now we will takeup the Rubber (Amendment) Bill, 1994.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Madam Vice-Chairman, I beg to move·

> "That the Bill further to amend the Rubber Act, 1947, as passed by the Lok Sabha, be taken into consideration.

Madam, this Bill intends to amend section 12 of the Act which was passed in 1947 to increase the cess on rubber from the present level of 50 paise per kg. to Rs. 2 per kg.

The Bill was examined by the Standing Committee attached to the Ministry of Commerce. It looked into proposed Amendment and commended that instead of stepping it up from 50 paise to Rs. 2, the ceiling on the cess should be fixed at Re. 1/-. In difference to the desire expressed by the Standing Committe, I assured the Lok Sabha and, through you, I want to assure this House also that the intention of the Government is to increase not beyond one rupee so far as the cess per kilogram of rubber is concerned. I accept the recommendation of the Standing Committee.

You are aware the production of natural rubber has increased substantially. In fact it is a success story of import substitution. From the level of production around 15,000 tonnes per year at the beginning of the Plan, in 1992-93 its production has reached more than 4,30,000 tonnes. We are nearly self-sufficient now so far as natural rubber is concerned.

Acreage under rubber plantation has expanded substantially from a little more than 74,000 heactares at the beginning of the First Plan to more than 500,000 hectares today. Yield per hectare has also improved substantially. From 284 kg per hectare, it has gone up to 1,200 kg. per hectare. It is a five-fold increase. I am glad to inform the House that the yield per hectare is the second highest, next only to Malaysia. This has been possible mainly because of the contribution made by small and marginal farmers. As you know, most of our rubber planters are small farmers having an acreage of two to three hectares.

Another interesting development which has taken place over the years is that we have extended the area of rubber cultivation from the traditional areas of Kerala, Tamil Nadu and a part of Karnataka to North-Eastern region of India where the result is also quite encouraging. Recently we had adopted some of the developmental projects assisted by the World Bank. I want to mention one particular project which we are having in Tripura. Along with the rubber cultivation, the State Government has come out with scheme to provide employment to the tribal population. This scheme is also working reasonably well there.

Rubber Board requires the financial support to implement these developmental plans. It also needs them to support its other activities particularly to provide the necessry subsidies and replantation subsidies, which has increased from Rs. 5,000 per hectare to Rs. 8,000 per hectare. Up to 1980, the amount which we collected through the

cess after deducting the cost of collection, which is about 2 per cent, it was adequate to meet the expenditure by the Rubber Board. Now, a situation has arisen where in 1992-93, the amount which was collected through the cess was about a little more than Rs. 15 crores, but the actual expenditure of the Rubber Board was Rs. 30 crores. Therefore, it was felt necessary that we should step up the levy of cess per kilogram from the present level of fifty paise to one rupee. And as I mentioned earlier, it is not necessary when we are fixing a ceiling of Rs. 2, we should have Rs. 2 immediately.

I have indicated and assured the House, through you, that we would not fix the cess beyond one rupee at the present movement. From the history of the cess you will find that though 50 paise was fixed as the ceiling at the initial stage even when the law was passed in 1947, it took almost 30 years to reach the 30 paise in early 80s. This is the intention. Merely fixing a ceiling in the Act does not mean that we will be having that level. There is not much in the Bill as such and I do hope it will receive the support of all sections of the House. It will be making necessary financial support to the Rubber Board which will help in its turn to promote and develop the production of natural rubber. Thank you, Madam.

The Question was proposed.

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): There are three Members who want to speak .....*(Interruptions)*.....

SHRI M.A. BABY (Kerala): Madam Vice-Chairperson, there is not much to speak on the rubber (Amendment) Bill, 1994. Still the Minister should not feel that we are not concerned with the rubber cultivators. It is true that there will not be any disagreement with regard to the proposal which is being made by the hon. Minister. So far as my State is concerned, care must be taken by the Ministry to protect and develop this particular agricultural area which has a very vital role to play with regard to the health of the economy.

The only submission I would like to made is that small and medium growers, as has been rightly pointed out by the Minister contribute the lion's share towards rubber production and they are facing many problems which have been represented to the hon. Minister and the Government time and again.

I would like to take this opportunity to urge upon the hon. Minister to consider sympathetically their demands including a role for the cultivators in fixing the remunerative floor price which is not the case today. The industrialists are basically given a major say in fixing the minimum price.

Similarly, there are many apprehensions with regard to import of synthetic rubber. I think the Minister will take care of this particular point also. When our country is in position to take care of the large domestic requirements, just to help important big business tycoons, there should not be unnecessary import of synthetic rubber. I hope that this will also be taken care of by the Minister.

SHRI M.M. JACOB (Kerala): Madam Vice-Chairperson, I am happy to participate in the discussion on the Rubber (Amendment) Bill, 1994. The hon. Commerce Minister has proposed to enhance the cess from Re. 0.50 to Rs. 2. But I am happy to note that the Commerce Minister in his opening remarks has assured us that he was going to enhance the cess from Re. 0.50 to Re. 1 and not Rs. 2. rubber is, in fact, the mainstay of Kerala State's economy; and I come from that State. I am happy to say that one-eighth of the total rubber produced in India comes from my taluka. That may be a news to the House. It is our small rubber cultivators who are responsible for the increased rubber production, and not the large-scale rubber cultivators. As the Minister rightly

said, our small rubber cultivators have holdings of half-an-acre, one acre, two acres and like that. We call them small holders. Our small rubber cultivators are educated. They know the modern methods of rubber cultivation. They are cooperating with the Rubber Board to the maximum extent possible. They have full knowledge about the rubber production field. This is their strength. Otherwise, it is very difficult for our poor cultivators to compete in the rubber production with the Malaysian big rubber companies with headquarters either in England or somewhere else. But India could succeed in competing with major multinational companies in production and productivity. It is evident from this that the productivity has increased so rapidly. During the last ten years, our productivity has doubled. From less than two lakh tonnes per year, now we have come to 4,30,000 tonnes and it will go up to still higher figures next year. About 92 per cent of rubber production comes from Kerala. Tripura also contributes a substantial portion. Some of the North-Eastern States are now experimenting in cultivation. But there is a work culture among the plantation workers of Kerala. They are also agriculturists and they are toppers too; they are doing everything. The same persons perform all the activities. At the same time, there are some poor plantation workers and even they are taken care of very well. At one stage, the Government of India had a scheme for providing housing to the plantation workers. There was also a health scheme for providing hospitals in intermittent regions where plantation workers are staying in large numbers. The housing of plantation workers is an important aspect and I think the hon. Commerce Minister will look into that.

I do not want to take much time of the House. But I have one fear. That is, there is a rumour that when the cess is increased the amount so callected will be reduced by the manufacturers from their purchasing rates and this burden will be passed on to the producer of rubber. Though cess is being collected at the last point, the impact of it is felt throughout. Even if there is a ten-paise increase in the price of petrol in the Government Budget, some people take advantage of it to make a two-rupee hike in the taxi-fare. Like that, the cumulative effect of the increase in the cess will be misunderstood and misinterpreted by the manufacturers who are capable of projecting it from a different angle to reduce the price of rubber in the market. I fear that any reduction in the price of natural rubber is going to be ruinous to the rubber industry as a whole. I say this with very intimate knowledge of the industry. I had been to Malaysia several times. I have participated in several international rubber seminars in Kuala Lampur and other places. I was leading the Indian delegation to the conference of the natural rubber-producing countries in Sri Lanka way back in 1980. So, I am familiar with rubber plantation, cultivation. I have been a member of the Rubber Board for a very long time. Once I happened to be the President of the Marketing Federation of the rubber industry. Marketing Federation started with the support of the World Bank the production of crump rubber to compete with the Malaysian rubber industry. They started producing crump rubber, that is, Block rubber, not the rubber we normally see. The industry was able to use it without going to the process of purifying rubber. The industry also felt happy with the crump rubber. Under this World Bank project, cooperative societies started about seven crump rubber factories with World Bank assistance. It is a cooperative movement of small gorwers. It was rubber through crump rubber.

Latex which is used in foams and cushions and such products give added support to the rubber industry. My apprehension is, as I stated earlier, if the prices go down,and do not go up as the rubber growers expect what is happening in Malaysia is going to happen in India also. You ask why it is so. Malaysia is

not the No. 1 producer of rubber now. It has gone to the No. 2 position.

They have gone to number two position. When we were producing 2 lakh tonnes of rubber, Malaysia produced 14 lakh tonnes of rubber. Now, they have reduced their production. They have cut down their plans. I asked the Malaysian Ex-Foreign Minister and the Labour Minister, who were present in South Africa, I mean, the previous Ministers, whom I met They were telling me that they had shifted emphasis to industry. For the last ten years, Malaysia is stopping the rubber production. They are shifting on to industry because rubber production is no more attractive for them in financial terms So, this is the thing which we have to take note of Unless we, with the powerful internal market for rubber industry, are able to export rubber goods like sport goods, balls and tyres to other countries, unless we are able to have value added items of natural rubber, a country like fear feel that the rubber prices will be depressed at any moment. It should always find an upward trend. I do not know about your market intervention scheme which was reported in the Press. I have my own doubts about what is going to happen about that kind of an intervention. So, I feel that our prices must be higher and higher. Unless we do it, we cannot expect much. This price is not very profitable to the farmers at the moment. I am talking from my own experience. I also have some small rubber plantations. It is not a profitable business. After paying the cost of cultivation, the cost of labour and everything, you may not have much of a margin in this field. You will be better off if you are cultivating cattle grass, cutting it and giving it to the cattle house. We have worked out that economy also. There are certain crops that are profitable. There are certain industries that are profitable. But this may not be very profitable to a farmer. But because this particular region, which I mentioned, is wedded to the rubber culture, where everyone talks of cultivating rubber and increasing the productivity and even quality of rubber, I think, you have to help them. I only draw your attention to the functions of the Board. It is a matter of improving the plantation by technological and scientific research. Sir, in Malaysia, in 3½ years, they are able to bring rubber to cultivation. We take six years sometimes 5½ years. When you plant rubber, to start your tapping, you take 5½ to six years and some times 7 years in India. Six years may be the average for production: I can concede that. In Malaysia, they are able to do it within 3½ years' time. That means the cost of nursing in that country is less and they are able to get quick results. It is because of the enormous amount of money they invested at one stage on the research projects in rubber. They even have at tie-up with the Tropical/Rubber Research Institute in London. The Malaysian Rubber Institute has a tie up with the Tropical Rubber Research Institute in London. With this co-operation, they are able to improve their quality and standars. In spite of that, they are now abandoning rubber cultivation because of the cost price factor. The hon. Commerce Minister is a friend of the rubber cultivators of Kerala. He had seen these rubber plantations earlier. I am sure, the hon. Minister will certainly look into this and see that there will not be any miserly attitude when it comes to the question of research and development of the rubber industry and the laboratories must be full with equipment, and very good scientists, with attractive salaries, should be there. They shall not go away to other countries for rubber resarch. In American factories, the industry is utilising some of them. But we want them to be in India. We want their services. Through their services, the productivity of natural rubber could be increased and the peirod of maturity of rubber in the field can be reduced and the welfare of labour can be very well looked after. With this intention, with this background, I strongly support your proposal for the

enhancement of cess at this moment to one rupee, if not to two rupees. It may be too much of a jump. That shall not be a punishment for our increasing the productivity five times. So, I consider this as an opportunity to draw the attention of the Commerce Minister to the plight of the rubber growers and I invite him to visit the plantations next time so that he may come across the new problems which are face by the growers. Thank you very much.

श्री संघ प्रिय गौतम (उत्तर प्रदेश): उपसभाध्यक्ष महोदया, मेरी पार्टी की ओर से इस विधेयक पर वास्तव में श्री ओ० राजगोपाल को बोलना था क्योंकि संयोग से वह केरल राज्य से आते है। करेल राज्य और रबर का क्या संबंध है He was born in Kerala. How can I tell a lie? He was Born in Kerala केरल राज्य और रबर का क्या संबंध है इस विषय पर माननीय जैकब साहब ने बहुत रोशनी डाल दी है। फिर भी मैं कहना चाहता हूं कि रबर का महत्व पहले से ज्यादा बढ़ रहा है। पिछले दिनों में यातायात के साधनों में रबर का उपयोग हुआ है। जो भैंसा गाड़ी, बैल गाड़ी लकड़ी के पहियों से चलती थी अब वह रबर के पहियों से चलती है तो इस तरह से रबर का उपयोग भी दिन प्रतिदिन बढ़ रहा है, जैसा जैकब साहब ने बताया रबर का उत्पादन भी बढ़ रहा है, मेरे मित्र मुझे याद दिला रहे हैं कि रबर के कारतूस भी बनने लग हैं। पुलिस इनका उपयोग उपद्रवियों पर उपद्रव करने पर चलाती है या जो प्रदर्शनकारी होते हैं उन पर चलाती है। रबर के महत्व को देखते हुए और अपने देश की जो स्थिति हो रही है मैं यह चाहता हूं कि जब हर क्षेत्र में आयात के ऊपर निर्भर करते हैं तो हम चाहते हैं निर्यात इस चीज का हमारे देश से अधिक से अधिक और विदेशी पूंजी अपने देश में आये, मुद्रा कमाये। टायर उद्योग में लगे हमारे कुछ उद्योगपति विदेशों को टायर भेज रहे हैं। श्री जैकब ने माननीय मंत्री जी का ध्यान इस ओर दिलाया है कि रबर उत्पादकों को नुकसान न हो और रबर के उत्पादन में जो मजदूर काम कर रहे हैं, श्रमिक लोग हैं उनकी भी छटनी न हो उनको भी काम मिलता रहे यही मै भी कहना चाहता हूं। इन सब बातों को दृष्टिगत रखते हुए आप उनके हितों का ध्यान रखेंगे ऐसी मै आशा रखता हूं। क्योंकि यह विधेयक लोक सभा से पारित हो चुका है इसलिए इस विषय पर ज्यादा चर्चा करने की आवश्यकता मैं नहीं समझता। मैं इसका समर्थन करता हूं।

(SHRI PRANAB MUKHERJEE): Thank you, Madam. I am grateful to the hon. Members for the support which they have extended while making their brief observations on the provisions of the Bill, and all of them have supported the proposal. I am grateful to them. As we are fully aware, Mr. Jacob is not only well-versed in plantations and the problems allied to the plantation industry but he himself has also represented this industry on several occasions in various international fora. So, I am fully aware of the problems which he has raised and to which our attention has been drawn. I can assure him that I would examine all these issues and see that small growers are supported In fact, one another interesting development has taken place so far as the research and development is concerned, and that is, our agricultural scientists have developed a new clone, I-105, where the productivity has increased by 20 per cent and, as I mentioned, this is the year which, what we may call, tells us a success story of import substitution. Not only that, it is reducing our dependence on imports. If I remeber correctly, in the early eighties, when I happened to be the Commerce Minister, the import of natural rubber was to the extent of 30,000 to 40,000 tonnes per year. And last year, we did not have to import anything at all directly. Some import is coming through this speical import licence system which is related to export incentive scheme, but that quantum is also not much. It is around 10,000 to 12,000 tonnes.

In the year before the last, the total import was only 4,000 tonnes, though the gap was of about 10,000 tonnes. Our total requirement was 4,50,000 tonnes. Our production was 4,40,000 tonnes. Therefore, it is an area where we have achieved success in the import substitution. Moreover, the co-operative movement has grown not only in Kerala, where it is very powerful, but in other places also. The small co-operative do things starting from cultivation to tapping

to manufacturing of latex to running companies and factories. Another experiement is, as I mentioned in my introductory speech, is that the rubber-growing tribals in Tripura are authorised to form co-operative societies to help them to rehabilitate economically through rubber plantation and they are also being supported by us. We are watching to what extent we can achieve success in that area. I can assure Mr. Tacob that our efforts to step up the reasearch and development expenditure would continue and, in fact, in the current Plan itself, in my capacity as Deputy Chairman of the Planning Commission, I have stepped up the investment outlay for research and development substantially, not only for the Universities and IITs but also for certain national laboratories. Therefore, that effort would continue and our rubber sector would also get due attention.

Mr. Gautam suggested that we should expand our export further. I am happy to inform that the export of tyre is expanding and in the last two years it has increased practically three-fold, that is, from Rs. 200 crores to Rs. 600 crores.

Mr. Baby has drawn our attention particularly to the need to ensure that the synthetic rubber does not come and replace the natural rubber. Presently, I am happy to inform that comapred to many other countries consumption of synthetic rubber in our country is much less. I think it is around 22%. We are having 78% natural rubber. There is only one point which we have to emphasise. If synthetic products are out and natural rubber becomes competitive, if we can enhance the productivity and reduce the cost of production of the natural rubber as far as the users are concerned, it will become economically viable. In regard to price, as the hon. Member is aware, the benchmark price for RM-4 Rs. 20.04. But the real price is a little more than Rs. 26/- per kilogram. If we convert it into a tonne we will find that it is on a par with the international price, which is roughly 926 dollars per tonne, which will come to roughly Rs. 26,000.

The price support mechanism, which is being operated, will take care of the problem of growers. As I mentioned earlier, this scheme is basically to enhance the resources of the Rubber Board and to ensure that they are properly funded to carry out their activities. A large number of developmental projects have been undertaken by it. We will see to it that they implement those developmental projects successfully. With these words, Madam, I, once again, thank the House, through you, which has extended its whole-hearted support to this proposal to amend the Rubber Act.

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): Now, the question is:

> That the Bill further to amend the Rubber Act, 1947, as passed by the Lok Sabha, be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): Now, we shall take up clause-by-clause consideration of the Bill.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formul and the Title were added to the Bill.

SHRI PRANAB MUKHERJEE: Madam, I beg to move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE INSTITUTES OF TECHNOLOGY (AMENDMENT) BILL, 1994

THEDEPUTYMINISTERINTHEMINISTRY OF HUMAN RESOURCE